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SIPDIS

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FROM U.S. MISSION TO THE UN AGENCIES IN ROME

E.O. 12958: N/A

TAGS: EAGR ETRD EAID SENV KIPR AORC FAO

SUBJECT: PLANT GENETIC RESOURCES TREATY PASSES
RATIFICATION THRESHOLD FOR ENTRY INTO FORCE BUT LACKS
FUNDS FOR CRUCIAL PREPARATORY MEETINGS

REF: (A) ROME 1057; (B) ROME 0280;
(C) 03 ROME 5197; (D) 03 ROME 2210

¶1. FAO announced on March 31 that 48 countries had ratified the International Treaty (IT) for Plant Genetic Resources for Food and Agriculture (see ref A). Simultaneous submission of instruments of ratification at the end of March by 12 EU countries and the European Community carried the IT over the threshold of 40 ratifications that will trigger entry into force 90 days later.

¶2. Alternate Permrep discussed latest IT developments with Jose Esquinas-Alcazar, Secretary of the FAO Commission on Genetic Resources for Food and Agriculture, on April 8. We conveyed USG concern about the repeated postponement of the Expert Group meeting to discuss a standard Material Transfer Agreement (MTA), and urged FAO to convene the meeting as soon as possible. We noted that, until the MTA is adopted, transfers of plant genetic resources under the IT's Multilateral System cannot occur; neither facilitated access nor benefit sharing could take place until the MTA is adopted by the IT Governing Body. We urged that FAO make the MTA Expert Group meeting a high priority and if necessary use its own funds for this purpose if the shortfall in voluntary donor contributions persists.

¶3. Esquinas replied that he completely shared the USG view of the importance of moving forward with the MTA meeting and with our interpretation of the legal ramifications of inaction on the MTA. He explained, however, that plans for the MTA Expert Group meeting (including reservations of rooms and interpreters for a fixed date) could not be finalized under FAO internal rules until the necessary funding had been received. He explained that the FAO Secretariat's proposed Program of Work and Budget for 2004-2005, under a Zero Real Growth (ZRG) scenario, allocates \$180,000 from the regular assessed budget, but this would be for meetings of IT statutory bodies only. The rest would have to come from voluntary contributions. As matters currently stand, there are still tentative reservations for an MTA meeting in July 2004, but the FAO's Conference Affairs Division cannot guarantee that slot for much longer, in which case the meeting would shortly have to be rescheduled for the autumn.

¶4. The FAO official handed us a sheet (faxed to OES/ETC) with the following accounting: The meeting cost of the MTA Expert Group is \$228,250, plus 13,695 (6% project service cost), plus \$150,000 for participation of developing countries, for a total of \$391,945. As of April 8, FAO had \$232,684 in voluntary contributions on hand. Esquinas explained that an additional \$22,000 in 2003 money from Canada (which was unspent by FAO and therefore withdrawn) would be made available again in ¶2004. Also, he noted that FAO has recently received a pledge from Germany. (The German Permanent Representation in Rome confirmed to U.S. Mission that this pledge is in the amount of 85,000 euros, or about \$102,000 at current exchange rates, but could not predict exactly when the money would be available.) U.S. Mission calculates that all received and pledged voluntary contribution amount to \$356,684, which is still about \$35,260 less than required.

¶5. Comment: FAO's Esquinas seems to share USG concerns about the urgency of moving ahead with discussions of a standard MTA, but his hands are tied by FAO budgetary and administrative regulations. In the short term, the issue could be resolved by a small but timely voluntary contribution from one or more donors; but in longer run the constraints on IT-related meetings are part of a larger budgetary picture in which the Plant Genetic Resources Treaty is just one political football. The FAO

Conference in November 2001 requested the Director General "to ensure that appropriate resources, including human resources, are available to the Secretariat of the Commission on Genetic Resources for Food and Agriculture, acting as the Interim Committee [of the IT]." The Director General's proposed Program of Work and Budget for 2004-5 initially called for \$360,000 for an Interim Committee meeting. Under the ZRG scenario, this was scaled back by the FAO Secretariat to \$180,000, leaving the rest to voluntary extrabudgetary contributions. FAO member governments meeting as the FAO Conference in November-December 2003 adopted an overall budget for 2004-5 that is in fact less than ZRG, so there may be further proposed cuts for IT-related activities. The FAO Finance Committee (on which the U.S. sits) will meet in May to discuss how to implement the Program of Work and Budget under the more stringent financial constraints mandated by the Conference, and one of the challenges will be to ensure that activities we consider essential are built into the regular program budget, and not left to the vagaries of the extrabudgetary process.

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